

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION)
OF THE FUEL ADJUSTMENT CLAUSE OF)
EAST KENTUCKY POWER COOPERATIVE,) CASE NO.
INC. FROM NOVEMBER 1, 2014 THROUGH) 2017-00002
OCTOBER 31, 2016)

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO EAST KENTUCKY POWER COOPERATIVE, INC.

East Kentucky Power Cooperative, Inc. ("East Kentucky"), pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due on or before March 20, 2017. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

East Kentucky shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

East Kentucky fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, East Kentucky shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Direct Testimony of Julia J. Tucker, page 2, lines 7-10. Provide the steps East Kentucky has taken, or will take, to meet Capacity Performance rules.

2. Refer to the Direct Testimony of Isaac S. Scott ("Scott Testimony"), page 5, lines 15-21.

a. State whether the two-month lag exists with direct-served customers.

b. State whether the direct-served customers are charged at East Kentucky tariffed rates or at member cooperative retail rates.

3. Refer to the Scott Testimony, page 7.

a. Refer to lines 5-9. State whether it is East Kentucky's understanding that all sixteen cooperatives are in agreement that there is a two-month

lag and support East Kentucky's proposed solution of delaying the effective date of any change in the member cooperatives' rates for two months.

b. Refer to lines 15-16. Confirm that all energy rates would change with a change in the base fuel cost.

4. Refer to East Kentucky's response to the Commission's February 6, 2017 Request for Information ("February 6, 2017 Request"), Item 1.

a. Refer to page 2 of 6. Explain why the "...Member Systems generally are not in favor of reestablishing the base fuel cost at this time."

b. Refer to page 4 of 6, the second paragraph. This paragraph discusses expected increases and decreases in the cost of coal, natural gas, and power purchases in 2017 and 2018. Refer also to page 5 of 6, the last paragraph which states that "...East Kentucky took the expected changes in the cost of coal, natural gas, and market purchases and estimated average fuel costs using the budgeted resource and generation mixes for 2017 and 2018."

(1) Provide the estimated average fuel cost per kWh for the year 2017.

(2) Provide the estimated average fuel cost per kWh for the year 2018.

c. Refer to pages 4-5 of 6, which show that May 2015 had more power purchases than is expected in 2017 and 2018, and Spurlock unit 4 was only .58 percent of the generation mix. Refer also to the East Kentucky's response to the February 6, 2017 Request, Item 3, page 2 of 3, which states that May generally has

lower loads because of scheduled maintenance outages. Given these dissimilarities, explain why East Kentucky believes May 2015 to be representative.

5. Refer to East Kentucky' response to the February 6, 2017 Request, Item 41, pages 1-2. State whether the PJM Interconnection, LLC ("PJM") prior period adjustments referenced in the response and related to the two-year review period are flowed through the fuel adjustment clause prior to the closing of the two-year review cases.

6. Refer to East Kentucky's response to the February 6, 2017 Request, Item 42, page 2 of 2. Confirm that East Kentucky classifies an outage meeting the definition of "Maintenance Outage" as a scheduled outage.

7. State whether East Kentucky engaged in virtual transactions in PJM during the two-year review period. If yes, explain 1) how the transactions were accounted for; and 2) the effect the transactions had on the calculation of the fuel adjustment clause, if any.


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Public Service Commission
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DATED MAR 06 2017

cc: Parties of Record

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